

Regular Session, 1997

SENATE BILL NO. 1295

BY SENATOR CRAVINS

GAMING. Authorizes slot machine gaming at a live horse race track in St. Landry, Bossier, and Calcasieu parishes.

1 AN ACT

2 To enact Chapter 7 of Title 27 of the Louisiana Revised Statutes of 1950, to
3 be comprised of R.S. 27:351 through 354, 361 through 365, 371
4 through 377, and 381, relative to slot machine gaming at certain live
5 horse race tracks; to provide for state policy; to provide definitions; to
6 provide relative to the power of the Louisiana State Racing
7 Commission; to provide relative to the temporary and permanent
8 conduct of slot machine gaming; to provide for required licenses and
9 the terms of such licenses; to provide relative to required suitability
10 standards; to provide relative to the powers and duties of the Louisiana
11 Gaming Control Board; to provide relative to the duties of the office of
12 state police; to provide relative to the preemption of local laws and
13 taxes; to provide relative to limitations on slot machine gaming; to
14 prohibit certain relationships; to provide for certain crimes and provide
15 penalties therefor; to prohibit allowing minors to play slot machines
16 and to provide with regard thereto; to require posting certain

information regarding assistance for compulsive gambling; to require
and provide for a local election regarding slot machine gaming; and to
provide for related matters.

Notice of intention to introduce this Act has been published.

Be it enacted by the Legislature of Louisiana:

Section 1. Chapter 7 of the Louisiana Revised Statutes of 1950,
comprised of R.S. 27:351 through 354, 361 through 365, 371 through 377, and
381, is hereby enacted to read as follows:

CHAPTER 7. PARI-MUTUEL LIVE RACING FACILITY ECONOMIC
REDEVELOPMENT AND GAMING CONTROL ACT

Chapter 7 is all proposed new law.

PART I. GENERAL PROVISIONS

Part I is all proposed new law.

§351. Title

R.S. 27:351 is all proposed new law.

This Chapter shall be referred to as the "Louisiana Pari-mutuel
Live Racing Facility Economic Redevelopment and Gaming Control
Act".

§352. Policy

R.S. 27:352 is all proposed new law.

The legislature hereby finds and declares it to be the public
policy of this state that:

(1) Pari-mutuel wagering facilities which offer live horse racing
have historically made great contributions to the economic development
of the state at large and particularly the agricultural and horse breeding
industries.

(2) Recent legalization of additional forms of wagering other

1 than pari-mutuel wagering on horse races such as lottery, riverboat
2 gaming, and land based casino gaming have, and will continue to have,
3 a substantial negative and detrimental affect upon live horse racing as
4 well as the thoroughbred and quarterhorse industries in general.

5 (3) Authorization of certain specified gaming activities, such as
6 the competitive offering of slot machine gaming at specifically defined
7 eligible live racing facilities, will revitalize and rehabilitate those
8 facilities within strategically located geographic areas of the state, and
9 will further result in overall economic development and additional
10 revenues to the state and parishes where those facilities are located.

11 §353. Definitions

12 **R.S. 27:353 is all proposed new law.**

13 A. When used in this Chapter, the following terms shall have
14 these meanings:

15 (1) "Board" means Louisiana Gaming Control Board.

16 (2) "Designated slot machine gaming area" means the area of an
17 eligible live racing facility at which slot machine gaming may be
18 conducted in accordance with the provisions of this Chapter.

19 (3) "Division" means the division in the office of the state
20 police, Department of Public Safety and Corrections which provides
21 investigatory, regulatory, and enforcement services to the board in the
22 implementation, administration, and enforcement of this Chapter.

23 (4) "Eligible facility" means those facilities in St. Landry Parish,
24 Bossier Parish, and Calcasieu Parish at which the Louisiana State
25 Racing Commission has licensed the conduct or at which the
26 commission has approved the future licensing of the conduct of not less
27 than eighty days each year of live horse race meetings.

1 (5) "License" means the authorization applied for or issued to
2 the owner of an eligible facility by the board to conduct slot machine
3 gaming at an eligible facility issued pursuant to the provisions of this
4 Chapter. "License" also means authorization issued by the board to a
5 slot machine owner, a manufacturer, distributor, or a service technician
6 to participate in slot machine gaming operations at eligible facilities.

7 (6) "Licensee" means any person issued a license by the board.

8 (7) "Manufacturer" means any person who manufactures or
9 assembles and programs slot machines for use in this state.

10 (8) "Net slot machine proceeds" means the total of all cash and
11 property received by a licensee from slot machine gaming operations
12 minus the amount of cash or prizes paid to winners.

13 (9) "Person" means any individual, partnership, corporation, or
14 other legal entity.

15 (10) "Service technician" means any person other than a
16 licensee or manufacturer who repairs, services, inspects, or examines
17 slot machines.

18 (11)(a) "Slot machine" means any mechanical, electrical, or
19 other device or contrivance which, upon insertion of a coin, token, or
20 similar object therein or upon payment of any consideration
21 whatsoever, is available to play or operate, the play or operation of
22 which, whether by reason of the skill of the operator or application of
23 the element of chance, or both, may deliver or entitle the person
24 playing or operating the machine to receive cash, premiums,
25 merchandise, tokens, or anything of value, whether the payoff is made
26 automatically from the machine or in any other manner.

27 (b) Slot machines shall:

(i) Be inspected by the board or its designee for certification and compliance.

(ii) Have a serial number or other identification number permanently affixed to the device by the manufacturer.

(iii) Be connected to a central computer operated and maintained as directed by the board.

(iv) Offer the same minimum winning percentage and payout as slot machines on riverboats.

(12) "Slot machine gaming" means the use, operation, offering, or conducting of slot machines at an eligible facility in accordance with the provisions of this Chapter.

§354. Power of Louisiana State Racing Commission

R.S. 27:354 is all proposed new law.

Nothing in this Chapter shall be construed to abrogate, limit, or effect in any way the powers granted the Louisiana State Racing Commission.

PART II. CONDUCT OF SLOT MACHINE GAMING ACTIVITY

Part II is all proposed new law.

SUBPART A. AUTHORIZED ACTIVITY AND REQUIRED ACTIONS

Subpart A is all proposed new law.

§361. Conduct of slot machine gaming; temporary conduct

R.S. 27:361 is all proposed new law.

A.(1)(a) Subject to the limitation in Paragraph (2) of this Subsection, upon sworn application by the owner of an eligible facility and upon a finding by the board, after investigation, that the application is complete and the owner is suitable, the board shall issue a license to the owner to conduct slot machine gaming in an eligible facility. Once

1 licensed, slot machine gaming may be conducted subject to the
2 requirements of this Chapter and rules adopted pursuant to the authority
3 granted in this Chapter.

4 (b) As a condition of licensing and to maintain continued
5 authority for the conduct of slot machine gaming at his facility, the
6 owner of the eligible facility shall:

7 (i) Maintain continuous suitability.

8 (ii) Determine that all persons who participate in the conduct of
9 slot machine gaming at his eligible facility who are required by this
10 Section to be licensed have such a license. The board shall advise all
11 licensed owners of eligible facilities whenever any person once
12 licensed as required by R.S. 27:362 is no longer licensed. The licensed
13 owner shall not be found unsuitable or otherwise penalized for failure
14 to terminate the participation of any person who was licensed at the
15 time of original participation if the board has not provided the
16 notification required by this Paragraph.

17 (iii) Permit unrestricted access and right of inspection by the
18 board, any agent of the board, and the division to any portion of the
19 premises of an eligible facility in which any activity relative to the
20 conduct of slot machine gaming is conducted.

21 (2) An application may be approved by the board only after the
22 electorate in the parish in which the eligible facility is located or, is
23 proposed to be located, as provided for in Subsection B of this Section,
24 have approved the conduct of slot machine gaming at such facility at an
25 election, as provided in Part III of this Chapter.

26 B. The owner of a pari-mutuel live horse racing facility which
27 has been licensed by the Louisiana State Racing Commission to

1 conduct live race meetings, as provided in Part I of Chapter 4 of Title
2 4 of the Louisiana Revised Statutes of 1950, although the facility
3 necessary to conduct live race meetings has not been completed and
4 live racing has not begun to be conducted may be licensed as provided
5 in Subsection A of this Section and may conduct slot machine gaming
6 under such license in a designated slot machine gaming area approved
7 by the board provided that the facility for the conduct of a live race
8 meeting be constructed and a schedule of live race meetings be
9 established no later than twenty-four months following the receipt of
10 a license to conduct slot machine gaming. All authority to conduct slot
11 machine gaming shall cease if at the end of twenty-four months the
12 requirements of this Subsection are not met.

13 C.(1) The license provided for in this Section shall be issued for
14 a period of five years and shall be renewed for succeeding five year
15 periods upon application for such renewal, provided such application
16 includes all revisions to the information in the original application
17 which are necessary to maintain such information as both accurate and
18 current and provided the board continues in its finding of suitability.

19 (2)(a) The license provided for in this Section shall not be
20 transferrable.

21 (b)(i) The board shall provide by rule for establishing when a
22 change in the interests in a licensed owner constitute a change of
23 ownership of sufficient significance that continuing the license would
24 violate the provisions of this Paragraph.

25 (ii) The board shall provide by rule for an opportunity for a
26 proposed buyer of an eligible facility to undergo the same processing
27 and investigation by the board that would be conducted regarding an

1 applicant for licensing to conduct slot machine gaming as an owner of
2 an eligible facility in advance of the proposed buyer concluding the
3 purchase. In such a case, the board shall determine and inform the
4 proposed buyer of whether or not based on the processing and
5 investigation the proposed buyer would be licensed to conduct slot
6 machine gaming as the owner of the facility should he apply for such
7 a license. The advance process and investigation provided for in this
8 Subsubparagraph shall not replace the application of the owner of an
9 eligible facility to conduct slot machine gaming in such facility;
10 however, additional processing and investigation shall be required only
11 to supplement the prior processing and investigation in order that all
12 matters related to such an application be complete and current. All
13 costs of the advance process and investigation shall be paid by the
14 proposed buyer pursuant to fees established by the board.

15 §362. Required licenses; term of licenses

16 **R.S. 27:362 is all proposed new law.**

17 A. In addition to the owner of the eligible facility as provided in
18 R.S. 27:361, the following persons upon application and a finding by
19 the board of suitability, shall be licensed by the board, before any such
20 person may participate in the conduct of slot machine gaming at any
21 eligible facility:

22 (1) Slot machine owner.

23 (2) Distributor.

24 (3) Manufacturer.

25 (4) Service technician.

26 B. The licenses provided for in this Section shall be granted for
27 a period of one year and shall be renewed annually upon application for

1 such renewal provided such application includes all revisions to the
2 information in the original application which are necessary to maintain
3 such information as both accurate and current and provided the board
4 continues in its finding of suitability.

5 C. The licenses provided for in this Section shall not be
6 transferrable. However, the board shall provide by rule for establishing
7 when a change in the interests in a licensee constitutes a change of
8 sufficient significance that continuing the license would violate the
9 provisions of this Paragraph.

10 §363. Suitability standards

11 **R.S. 27:363 is all proposed new law.**

12 A. No applicant shall be granted a license under the provisions
13 of this Chapter unless the applicant has demonstrated to the board that
14 he is suitable for licensing.

15 B. For purposes of this Chapter, suitable for licensing means:

16 (1) The applicant is a person of good character, honesty, and
17 integrity.

18 (2) The applicant is a person whose prior activities, criminal
19 record, if any, reputation, habits, and associations do not pose a threat
20 to the public interest or to the effective regulation and control of slot
21 machine gaming, or create or enhance the dangers of unsuitable, unfair,
22 or illegal practices, methods, and activities in the conduct of slot
23 machine gaming or the conducting of business and financial
24 arrangements incidental thereto.

25 (3) The applicant is capable of conducting the activity for which
26 a license is sought, which means that the applicant can demonstrate the
27 capability, either through training, education, business experience, or

1 a combination of the above to conduct such activities.

2 (4) Particularly as to the owner of the eligible facility, the
3 applicant can demonstrate that the proposed financing of slot machine
4 gaming at the eligible facility is adequate for the nature of the proposed
5 operation and from a source suitable and acceptable to the board.

6 C. Every person who has or controls, directly or indirectly, more
7 than a five percent ownership, income, or profit interest in a person
8 which has or applies for a license in accordance with the provisions of
9 this Chapter, or who receives more than five percent revenue interest
10 in the form of a commission, finder's fee, loan repayment, or any other
11 business expense related to the slot machine gaming operation, or who
12 has the ability, in the opinion of the board, to exercise a significant
13 influence over the activities of a licensee authorized or being
14 considered for authorization under this Chapter, shall meet all
15 suitability requirements as a part of the relevant applicant's suitability
16 requirement.

17 D. A person whose application for a license has been denied, or
18 whose license has been issued subject to a condition or whose license
19 has been suspended or revoked, or against whom a fine has been levied
20 has the right to a hearing before the board pursuant to R.S. 27:25 and
21 an appeal from a decision of the board, pursuant to R.S. 27:26.

22 E. All licensees shall have a continuing duty to inform the board
23 of any action which they believe would constitute a violation of this
24 Chapter. No person who so informs the board shall be discriminated
25 against by an applicant or licensee because of supplying such
26 information.

27 §364. Gaming Control Board; powers and duties

1 **R.S. 27:364 is all proposed new law.**

2 A. The board shall:

3 (1)(a) Adopt, pursuant to the Administrative Procedure Act, all
4 rules and fees necessary to implement, administer, and regulate slot
5 machine gaming as authorized in this Chapter.

6 (b) Such rules shall include:

7 (i) Procedures for applying for a license and seeking renewal of
8 a license.

9 (ii) Establishing technical qualifications beyond suitability as
10 provided for in this Chapter which shall be necessary to be licensed as
11 a manufacturer and a service technician.

12 (iii) A process for counting and collecting net slot machine
13 proceeds.

14 (iv) A standard for determining whether changes in interests in
15 various licensees are sufficiently significant such that to continue the
16 license in the licensee would violate the prohibitions in R.S.
17 27:361(C)(2) and 362(C).

18 (v) Fees necessary for the thorough and efficient implementation
19 of this Chapter, including those required for the division to perform its
20 duties under this Chapter.

21 (c) Such rules may include:

22 (i) Requiring licensees or former licensees to maintain specified
23 records and submit any data, information, record, or report including
24 financial and income records, required by this Chapter or determined
25 by the board to be necessary to the proper implementation and
26 enforcement of this Chapter.

27 (ii) Requiring certain minimum physical security standards be

1 observed in designated slot machine gaming areas.

2 (iii) Requiring a standard of maintenance of slot machines.

3 (iv) Establishing a penalty for late submission of required
4 information, data, reports, or administrative fees.

5 (2) Revoke or suspend the license of any person who is found,
6 after receiving a license, to have been unsuitable at the time of
7 application for the license or who is otherwise found unsuitable.

8 (3) Conduct any investigation or cause any investigation to be
9 conducted by the division the board determines necessary to fulfill its
10 responsibilities under the provisions of this Chapter.

11 (4) Permit slot machines to be linked for the offering of
12 progressive jackpots.

13 (5) Approve the location, plans, and construction of the
14 designated slot machine gaming area in an eligible facility.

15 B. The board may direct the division to:

16 (1) Inspect and examine all premises where slot machines are
17 offered for play or where slot machines or equipment are manufactured,
18 sold, or repaired.

19 (2) Inspect all slot machines and related equipment and supplies.

20 . (3) Summarily seize and remove slot machines and related
21 equipment and supplies from any facility wherein such machines are or
22 have been operated pursuant to this Chapter.

23 C. The board may:

24 (1)(a) Deny, revoke, condition, or suspend the license of any
25 person who violates any provision of this Chapter or any rule adopted
26 pursuant to the authority granted in this Chapter. This is a power in
27 addition to the requirements of Paragraph (2) of Subsection A of this

1 Section and is not intended to limit that requirement.

2 (b) In lieu of suspending or revoking a license pursuant to
3 Subsubparagraph (a) of this Paragraph, the board may levy and collect
4 a fine in an amount established by board rule provided that the
5 violation has been corrected and all requirements of law and rule are
6 being complied with.

7 (2) Take steps necessary to collect fees owed to the board,
8 including filing a suit.

9 (3) Direct the division to act on its behalf in any manner relative
10 to investigation, inspection, and enforcement.

11 §365. Division; powers and duties

12 **R.S. 27:365 is all proposed new law.**

13 The division shall:

14 (1) Upon the direction of the board or pursuant to any agreement
15 with the board, investigate any applicant or licensee, make any other
16 investigation or inspection, or take any enforcement action necessary
17 to the thorough and efficient implementation of this Chapter.

18 (2) Subject to the direction of the board, establish, maintain, and
19 operate the mechanism necessary to conduct remote polling or reading
20 of slot machine operations or for the remote shutdown of those
21 operations.

22 (3) Inspect, examine, and seize and impound all slot machines
23 or equipment or records related to operating slot machines as directed
24 by the board or as agreed with the board.

25 (4) Report to the board any violation of law or rule discovered
26 by the division.

27 SUBPART B. PREEMPTION AND PROHIBITED ACTIVITIES

1 **Subpart B is all proposed new law.**

2 §371. Preemption of local laws and taxes

3 Slot machines, the operation of which are licensed pursuant to
4 this Chapter, are exempt from taxes, fees, and licensing restrictions
5 imposed by any governmental entity.

6 §372. Slot machine gaming area limitations

7 **R.S. 27:372 is all proposed new law.**

8 A. The size of the designated gaming area in an eligible facility
9 shall not exceed thirty thousand square feet.

10 B. No gaming devices other than slot machines and authorized
11 pari-mutuel wagering devices and equipment shall be in the designated
12 slot machine gaming area.

13 §373. Prohibited relationships

14 **R.S. 27: 373 is all proposed new law.**

15 A.(1) In addition to any prohibition found in Chapter 15 of Title
16 42 of the Louisiana Revised Statutes of 1950, no person employed by
17 or performing any function on behalf of the board or the division may:

18 (a) Be an officer, director, owner, or employee of any person or
19 entity licensed by the board.

20 (b) Have or hold any interest, direct or indirect, in or engage in
21 any commerce or business relationship with any entity licensed by the
22 board.

23 (2)(a) No elected public official as defined in R.S. 42:1 shall
24 engage in any business activity with a licensee except as a patron.

25 (b) As used in this Paragraph, business activity shall specifically
26 include but is not limited to contracts:

27 (i) For the sale or purchase of goods, merchandise, and services.

1 (ii) To provide or receive legal services, advertising, public
2 relations, or any other business or personal service.

3 (iii) For the listing, purchase or sale of immovable property or
4 options or real rights relating thereto.

5 (iv) Modifying ownership or possessory interests in stocks,
6 bonds, securities, or any financial instruments.

7 (3) The Board of Ethics shall administer and enforce the
8 provisions of this Subsection. The procedures and penalties provided
9 for in the Code of Governmental Ethics shall apply to the
10 administration and enforcement of the provisions of this Subsection.

11 B. No person licensed by the board as a manufacturer,
12 distributor, or slot machine owner may participate in the operation of
13 any computer program, software, or device which is used for the
14 polling or reading of slot machine operations or for the remote
15 shutdown of those operations as provided for in R.S. 27:365(2).

16 §374. Illegal lottery devices

17 **R.S. 27:374 is all proposed new law.**

18 Notwithstanding any provision of the law to the contrary, no slot
19 machine operated according to the provisions of this Chapter shall be
20 considered an illegal lottery device for purposes of R.S. 47:9075.

21 §375. Crimes and penalties; false statements; unauthorized slot
22 machines; skimming of slot machine proceeds; payroll
23 check cashing; gambling devices

24 **R.S. 27:375 is all proposed new law.**

25 A. Any person who intentionally makes, causes to be made, or
26 aids, assists, or procures another to make a false statement in any
27 report, disclosure, application, or any other document required by this

Chapter or a rule adopted under the authority of this Chapter shall, upon conviction, be imprisoned, with or without hard labor, for not more than ten years or be fined not more than ten thousand dollars, or both.

B. Except as otherwise permitted by law, any person who possesses or operates a slot machine without the license required by this Chapter or at other than an eligible facility shall, upon conviction, be imprisoned with or without hard labor for not more than ten years or be fined not more than ten thousand dollars, or both.

C. Any person who intentionally excludes, or takes any action in an attempt to exclude, anything or its value from the deposit, counting, collection, or computation of revenues from slot machine activity shall be imprisoned at hard labor for not less than one year nor more than ten years, without benefit of probation, parole, or suspension of sentence, and may be fined not more than twenty-five thousand dollars.

D. Any owner of an eligible facility who has been granted a license to operate slot machine gaming who cashes or accepts for cashing or permits any employee or other person to cash or accept for cashing an identifiable employee payroll check in the designated slot machine gaming area shall, upon conviction, be imprisoned for not more than six months or fined not more than five thousand dollars, or both.

E. Any slot machine used or offered for play in violation of the provisions of this Chapter, except as otherwise permitted by law, shall be considered a gambling device for purposes of R.S. 15:31.

§376. Allowing minors to play slot machines; penalties; revocation of

license

R.S. 27:376 is all proposed new law.

A.(1) No person licensed pursuant to the provisions of this Chapter, or any agent or employee thereof, shall intentionally allow a person under the age of twenty-one to play or operate a slot machine.

(2) The person licensed pursuant to provisions of this Chapter shall each quarter report and remit to the division all winnings withheld from customers who are determined to be under the age of twenty-one.

B. The board shall revoke the license of any person issued pursuant to the provisions of this Chapter, who is found by the board to have committed or allowed a violation of Subsection A of this Section.

§377. Toll-free telephone assistance for compulsive gamblers; posting of signs on premises

R.S. 27:377 is all proposed new law.

The board shall require the posting of one or more signs at points of entry to the slot machine gaming areas where to inform customers of the toll-free telephone number available to provide information and referral services regarding compulsive or problem gambling. Failure of the owner of the eligible facility to post and maintain such a sign or signs shall be cause for the imposition of a fine in an amount established by a rule of the board.

PART III. ELECTION PROVISIONS

Part III is all proposed new law.

§381. Parish-wide election on slot machine gaming

R.S. 27:381 is all proposed new law.

A. Notwithstanding any provision of law to the contrary, no slot

1 machine gaming shall be allowed in an eligible facility in any parish
2 unless the operation and conduct of slot machine gaming pursuant to
3 this Chapter has first has been approved at an election held in
4 accordance with the provisions of this Section.

5 B. Any person desiring to operate and conduct slot machine
6 gaming at an eligible facility in a parish, shall make application to the
7 governing authority of the parish in which the proposed slot machine
8 gaming is to be conducted. The application shall state the location of
9 the proposed slot machine gaming and describe the facilities proposed
10 to be constructed for the holding of slot machine gaming and shall have
11 attached the license, or a certified copy thereof, for the live horse race
12 meeting issued by the Louisiana State Racing Commission to conduct
13 such live horse racing at the eligible facility.

14 C. Upon receipt of the application, the governing authority of
15 the parish in which the slot machine gaming is proposed to be held
16 shall call and conduct a referendum election within the parish for the
17 purpose of submitting to the qualified electors of the parish the
18 proposition whether or not the proposed slot machine gaming shall be
19 allowed.

20 D. The referendum election shall be held on a date fixed by the
21 parish governing authority within a period of thirty days of receipt of
22 the application. Notice of the election shall be published at least twice
23 at five day intervals in the official journal of the parish or, if the official
24 journal is not published daily, then publication shall be in a daily
25 newspaper of general circulation in the parish. The publication shall
26 be completed at least five days prior to the date on which the election
27 is to be held. The parish governing authority also shall have five spot

1 announcements at least two days apart of the election broadcast on
2 radio or television channels readily receivable in the parish and shall
3 make notice of the election available to the news media. All qualified
4 electors of the parish shall be entitled to vote in the election.

5 E. The proposition to be printed on the election ballot shall be:
6 "Shall the business of slot machine gaming at a live horse racing
7 facility be conducted within the parish of _____" and the voters
8 shall vote for or against the proposition, a vote for the proposition being
9 a "Yes" vote and a vote against the proposition being a "No" vote. The
10 election shall be by secret ballot and conducted as nearly as possible in
11 accordance with the general election laws of the state. Voting
12 machines may be used and if used, the proposition to be submitted shall
13 be shown on the machine ballot. Any elector who was qualified to vote
14 in the election may demand a recount of the ballots or contest the
15 election in the manner and within the time provided by law for recount
16 or contest of elections under the general election laws of the state. The
17 parish clerk of court shall supervise the election. He shall appoint three
18 commissioners and one clerk, who shall be qualified electors and
19 residents of the precinct, to preside over the election at each polling
20 precinct. To reduce expenses of holding the election, the governing
21 authority of the parish may combine regular voting precincts provided
22 notice of any such combination is included in the notice of the election.
23 The governing authority of the parish shall promulgate the results of the
24 election. For the proposition to carry, it must receive a majority vote
25 in favor thereof of the votes cast in the election.

26 F. The parish governing authority shall notify the applicant and
27 the Gaming Control Board promptly of the results of the election. If

1 slot machine gaming has been approved, the applicant may proceed in
2 accordance with this Chapter and rules adopted pursuant to the
3 authority of this Chapter. If the proposed slot machine gaming has not
4 been approved at the election, the board shall not grant a license
5 therefor and shall not accept or consider an application for such a
6 license in the same parish until the expiration of at least two years from
7 the date of the election at which the slot machine gaming in the parish
8 was disapproved.

9 Section 2. This Act shall become effective upon signature by the
10 governor or, if not signed by the governor, upon expiration of the time for bills
11 to become law without signature by the governor, as provided by Article III,
12 Section 18 of the Constitution of Louisiana. If vetoed by the governor and
13 subsequently approved by the legislature, this Act shall become effective on
14 the day following such approval. However, no slot machine gaming may be
15 conducted until and unless the legislature provides by law for the imposition,
16 collection, and disposition of taxes on net slot machine proceeds and fees
17 necessary to administer the requirements of this Act.

The original instrument and the following digest, which
constitutes no part of the legislative instrument, were prepared
by Diane M. Burkhart.

DIGEST

Present constitution requires a local referendum to allow a newly authorized form of gaming in any parish prior to such gaming being conducted in any parish.

Proposed law enacts the Louisiana Pari-mutuel Live Racing Facility Economic Redevelopment and Gaming Control Act which authorizes the licensing and conduct of slot machine gaming at a live horse race track in St. Landry Parish, Bossier Parish, and/or Calcasieu Parish provided a live horse race track has been licensed or approved for future licensing by the La. State Racing Commission, and provided that the people in any of the parishes have first approved slot machine gaming at such a track in the parish at an election for the purpose. Permits slot machine gaming, if approved, to be conducted prior

to the conduct of live horse races, but for not more than 24 months.

Provides that all implementation, administration, licensing, and regulating of slot machine gaming be done by the La. Gaming Control Board. Required the state police to provide investigatory, regulatory, and enforcement assistance to the Gaming Control Board as the board directs. Specifies that this law has no effect on the power of the La. State Racing Commission.

Requires licensing of five categories of applicants regarding slot machine gaming: the owner of the track, a slot machine owner, a distributor, a manufacturer, and a service technician. Requires all such potential licensees and any person who has a specified interest in them to meet suitability standards. Provides suitability standards, including that the applicant: have a good and honest character, no past history that would present a threat to the public interest, and be capable of conducting the activity for which a license is sought. Conditions the track owner's license with the requirements that he maintain continuous suitability, that he determine that all persons who participate in the conduct of slot machine gaming at his facility who are required to have a license have one, and that he permit unrestricted access and right of inspection by the board and the state police. Provides that track owner license is good for five years and is not transferrable. Provides all other licenses must be renewed annually. Requires the board to provide for a mechanism to approve, in advance of purchase, the potential purchaser of an eligible facility.

Provides that a person whose application has been denied or whose license has been conditioned, suspended or revoked is entitled to a hearing as provided in the Gaming Control Board Law.

Requires the Gaming Control Board to:

- (1) Adopt, pursuant to the APA, all necessary rules and fees. Specifies certain matters required to be addressed by rule and provides others that are specifically permitted to be addressed by rule.
- (2) Revoke or suspend license of persons found unsuitable.
- (3) Conduct or cause necessary investigations to be conducted.
- (4) Permit slot machines to be linked for progressive jackpots.
- (5) Approve locations, plans, and construction of the designated slot machine gaming area.

Authorizes the board to direct the division to:

- (1) Inspect and examine all premises where slot machines are offered for play or where slot machines or equipment are manufactured, sold, or repaired.
- (2) Inspect all slot machines and related equipment and supplies.
- (3) Summarily seize and remove slot machines and related equipment and supplies from any facility wherein such machines are or have been

operated.

Authorizes the board to:

- (1) Deny, revoke, condition, or suspend the license of or fine any person who violates any requirements or prohibitions of law or rule.
- (2) Take steps necessary to collect fees owed to the board, including filing a suit.
- (3) Direct the division to act on its behalf in any manner relative to investigation, inspection, and enforcement.

Requires the state police to:

- (1) Subject to the direction of the board, make any investigation or inspection, or take any enforcement action necessary to the thorough and efficient implementation.
- (2) Subject to the direction of the board, establish, maintain, and operate the mechanism necessary to conduct remote polling or reading of slot machine operations or for the remote shutdown of those operations.
- (3) Inspect, examine, and seize and impound all slot machines or equipment or records related to operating slot machines as directed by the board or as agree with the board.
- (4) Report to the board any violation of law or rule discovered.

Exempts slot machines from taxes, fees, and licensing restrictions imposed by any governmental entity. Limits the size of the designated gaming area in an eligible facility to not more than 30,000 square feet. Prohibits any other gaming devices other than slot machines and authorized pari-mutuel wagering devices and equipment being in the designated slot machine gaming area.

Specifies a series of relationships that in addition to those in the ethics code, are prohibited regarding people employed by or performing any function on behalf of the board or the state police. Prohibits elected public officials from engaging in any business activity with a licensee except as a patron. Requires the ethics board to administer the ethics provisions.

Prohibits:

- (1) Any person licensed by the board as a manufacturer, distributor, or slot machine owner from participating in the operation of any computer program, software, or device which is used for the polling or reading of slot machine operations or for the remote shutdown of those operations.
- (2) Any person from intentionally making, causing to be made, or aiding, assisting, or procuring another to make a false statement in any required report, disclosure, application, or any other required document. Provides a criminal penalty of imprisonment, with or without hard labor, for not more than ten years or be fined not more than \$10,000,

or both.

- (3) Any person from possessing or operating a slot machine, except as otherwise permitted by law, without the required license or doing so at other than an eligible facility. Provides a criminal penalty of imprisonment with or without hard labor for not more than ten years or be fined not more than \$10,000, or both.
- (4) Any person from intentionally excluding, or taking any action in an attempt to exclude, anything or its value from the deposit, counting, collection, or computation of revenues from slot machine activity. Provides a criminal penalty of imprisonment at hard labor for not less than one year nor more than ten years, without benefit of probation, parole, or suspension of sentence, and a fine of not more than \$25,000 dollars.
- (5) Any owner of an eligible facility from cashing or permitting any employee or other person to cash or accept for cashing an identifiable employee payroll check in the designated slot machine gaming area. Provides a criminal penalty of imprisonment for not more than six months or fined not more than \$5,000, or both.
- (6) Any licensed person or any agent or employee thereof, from intentionally allowing a person under 21 to play or operate a slot machine upon penalty of losing their license. Requires that all winnings withheld from customers who are determined to be under the age of 21 be reported and remitted quarterly.

Requires the board to post one or more signs at points of entry to the slot machine gaming areas to inform customers of the toll-free telephone number available to provide information and referral services regarding compulsive or problem gambling. Provides that failure of the owner of the eligible facility to post and maintain such a sign or signs shall be cause for the imposition of a fine in an amount established by a rule of the board.

Provides for the local referendum election on slot machine gaming. Requires:

- (1) Any person desiring to operate and conduct slot machine gaming at an eligible facility in a parish, to make application to the governing authority of the parish in which the proposed slot machine gaming is to be conducted.
- (2) The application to state the location of the proposed slot machine gaming and describe the facilities proposed to be constructed for the holding of slot machine gaming and shall have attached the license, or a certified copy thereof, for the live horse race meeting issued by the Louisiana State Racing Commission to conduct such live horse racing at the eligible facility.
- (3) The governing authority of the parish in which the slot machine gaming is proposed to be held, to call and conduct a referendum election within the parish for the purpose of submitting to the qualified electors of the parish the proposition whether or not the proposed slot machine gaming shall be allowed.

- (4) The referendum election to be held on a date fixed by the parish governing authority within a period of thirty days of receipt of the application.
- (5) Notice of the election to be published at least twice at five day intervals in the official journal of the parish or, if the official journal is not published daily, then publication to be in a daily newspaper of general circulation in the parish.
- (6) The publication to be completed at least five days prior to the date on which the election is to be held.
- (7) The parish governing authority to have five spot announcements at least two days apart of the election broadcast on radio or television channels readily receivable in the parish and make notice of the election available to the news media.

Provides for election procedures. Requires the parish governing authority to notify the applicant and the Gaming Control Board promptly of the results of the election.

Effective upon signature of the governor or lapse of time for gubernatorial action. Specifies, however, that no slot machine gaming may be conducted until and unless the legislature provides by law for the imposition, collection, and disposition of taxes on net slot machine proceeds and the fees necessary to administer the requirements of this Act.

(Adds R.S. 27:351-354, 361-365, 371-377, and 381)